



County of San Luis Obispo, California

PARKS & RECREATION COMMISSION

COUNTY PARKS AND RECREATION COMMISSION AGENDA ITEM TRANSMITTAL

TO: Parks and Recreation Commission

FROM: General Services Agency / Josh Heptig 781-1318

SUBJECT: Request to recommend Golden State Golf Company for the management of the golf shop and food and beverage operations at Morro Bay Golf Course.

DATE: 6/26/2014

Recommendations: It is recommended that the Commission:

1. Recommend the Board of Supervisors approve Golden State Golf Company for the management of the golf shop and food and beverage operations at Morro Bay Golf Course; and,
2. Advise staff to develop an associated written concessions agreement with Golden State Golf Company for the management of the golf shop and food and beverage operations at Morro Bay Golf Course.

Discussion

Morro Bay Golf Course has been operated by the County of San Luis Obispo under a lease from the California Department of Parks and Recreation (CDPR) since 1950. Through this lease, the County has the responsibility to operate, control, and maintain Morro Bay State Park Golf Course (MBGC) and clubhouse. This lease also allows the County to select concessionaires for MBGC in accordance with Public Resource Code Section 5080.30 to establish, maintain, and operate the clubhouse facilities.

In 2010, negotiations began to amend the lease agreement for MBGC between County and CDPR in preparation to conduct a Request for Proposal (RFP) for a new golf shop concessions contract. The current concession contract with Fairway Corporation expired January 2011 and has since been operating on a month to month basis.

The lease amendment with CDPR was approved by the Board of Supervisors in October 2012. Then CDPR approved the lease amendment in January 2013 and it became effective July 1, 2013. Since that time County staff has been preparing and executing the RFP process for a golf shop concessionaire. This process included two public meetings to receive golfers' input regarding the proposals process.

County Parks' staff prepared the RFP documents based upon golfers' input and the goals and objectives of the golf program. The goal was to seek a concession operator that would best satisfy the needs of the general public that utilize the amenities at Morro Bay State Park Golf Course while protecting the assets and resources of the property. Five written proposals were received in response to the RFP.

GSA-County Parks' staff with the assistance of State Parks and local agencies' staffs (Cities of Morro Bay and San Luis Obispo) vetted the proposals in detail and rated the proposals that will provide affordable golf recreational opportunities for the residents and visitors to the County during the next ten years. Following that step, the two highest rated proposers were invited to present their business plans and participate in oral interviews.

The best qualified concessionaire identified by this process is Golden State Golf Corporation. This is also the company that has managed the Chalk Mountain Golf Course for County Parks for eleven years. The principal and owner of Golden State Golf Company is Joel Clay. Mr. Clay began working at this county golf course in 1986 and became the General Manager in 1995. Golden State Golf Company took over the lease for Chalk Mountain Golf Course in 2003.

Following Commission's recommendation(s), the next step in the process will be to develop a written concessions agreement between GSA-County Parks and Golden State Golf Company for the operation of Morro Bay Golf Course. This agreement will be reviewed by County Counsel and GSA Real Property Services staffs. Upon completion, the written agreement will be reviewed by the Board of Supervisors and the new concessionaire will begin providing services in mid-summer 2014.

Other Agency Involvement/Impact

GSA-County Parks, City of Morro Bay Recreation and Parks, City of San Luis Obispo Parks and Recreation, California Department of Parks and Recreation, County Counsel, GSA-Real Property Services, and County Risk Management reviewed the proposals and/or the concessions contract.

Financial Considerations

There are no expenditures necessary by GSA-County Parks for the implementation of the concession contract.

The anticipated written agreement will be negotiated between the County and Golden State Golf Company. Anticipated elements include but are not limited to:

- All associated operating costs will be the responsibility of the concessionaire.
- The County will receive an annual rental payment of \$75,000.
- The County will receive an additional fee of 5% paid to the County based on the gross receipts of the Contractor.
- The contractor will create a Capital Improvement Account, in which \$1,500 will be deposited each month to address facility improvements.
- The contractor will receive 95% of all golf shop, golf cart and food/beverage revenues.
- The County will continue to maintain all of the golf course grounds and facilities.

It is anticipated that GSA-County Parks will receive \$125,000 of revenue in the first year of the contract which is similar to the amount received in previous years. Unlike the current agreement, the new capital improvement account will result in \$180,000 to address facility improvements at the Morro Bay Golf Course over the course of the ten-year term of this contract.

Results

Approval of Golden State Golf Company and development of a written concession contract between GSA-County Parks and Golden State Golf Company will provide quality affordable golf recreational services that support the Board of Supervisor's goals of providing a healthy and livable community.

Attachments

1. Vicinity Map
2. MBGC Clubhouse Diagram